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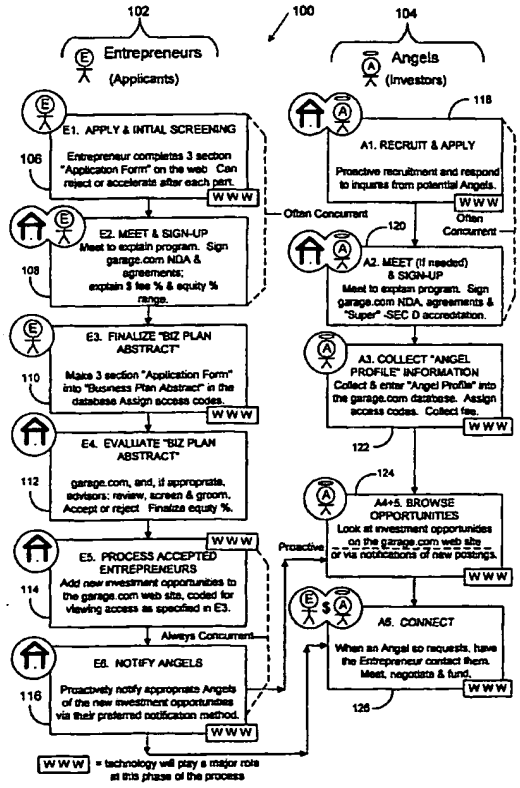
(54) Title: COMPUTER NETWORK-BASED SYSTEM FOR MANAGING AND MATCHING NEW BUSINESSES TO FUNDING SOURCES



(57) Abstract: A system for managing and matching requests for new-business funding with appropriate investors (100). The management and matching of applicants (102) to investors (104) is facilitated by an intermediary such as an investment broker or agent, who also performs management role in qualifying, analyzing and facilitating a match. The invention provides for escalating communications over a computer network such as by using Webpage forms and displays and email. An applicant for funding goes through a three-stage process. At each stage, the applicant's business is evaluated and can be accepted or rejected by the manager entity. New business summaries, or overviews, are received by the manager. Analysts working at the manager entity are informed of new overviews by email. The email includes a link to the overview information, and any other information about the company, so that analysts can determine acceptance to the next stage, or rejection.

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Computer Network-Based System for Managing and Matching New Businesses to Funding Sources

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BACKGROUND OF THE INVENTION

The present invention relates in general to transfer of information over a computer network and more specifically to the use of a computer network and associated devices to manage and resolve requests for new business, or "start-up" funding.

Traditionally, funding for new companies has been achieved by manual methods such as with hardcopy business plans, face-to-face meetings, etc. This approach requires a lot of time by both a new business' principal, or applicant, by potential investors, a coordinator of the process, etc. However, with the explosion in computer and Internet-related new businesses it is extremely difficult, if not impossible, to evaluate all of the potential start-up business plans and to accurately match up the best plans with the best early stage investor or investors (i.e. "angel investors"). Because of the fast-paced nature of Internet, or e-commerce, businesses, time is of the essence and funding efforts that formerly could be allotted months must now happen in a matter of days or an opportunity may be lost.

Despite the need to obtain funding quickly, today's technology start-ups tend to deal with new, and complex, technology. This makes it difficult to convey the

essence of a business plan to potential investors. Rather than have applicants in direct contact with angel investors, most investors desire a preliminary screening by a "broker" or evaluation agency. Since the start-up's technology and ideas described in a business plan are the crown jewels of the new company, most start-ups, likewise, do not want their sensitive information freely distributed. Thus, the start-up companies, also, desire a middle-entity, such as an evaluation agency, to put the applicant in contact with a potential investor.

Managing and resolving applications for start-up funding is difficult. Ideally, a system should be able to match an investor with a company quickly and accurately and, in doing so, handle large number of applications for funding without requiring too many resources in the form of information management hardware and personnel, analysts, etc. The system should accurately analyze a start-up to determine if it is a worthy investment, and should protect the start-up company's sensitive information. The system should, ultimately, provide a good match between applicant and investor so that the chances for success of the new enterprise are improved.

Thus, it is desirable to provide a system that overcomes problems in the prior art and that provides some or all of the above features.

SUMMARY OF THE INVENTION

The present invention provides a system for managing and matching requests for new-business funding with appropriate investors. The management and matching of applicants to investors is facilitated by an intermediary such as an investment broker, or agent, who also performs a management role in qualifying, analyzing and facilitating a match. The invention provides for escalating communications over a computer network such as by using Web-page forms and displays, and email. An applicant for funding goes through a three-stage process. At each stage, the applicant's business is evaluated and can be accepted or rejected by the manager entity. New business summaries, or overviews, are received by the manager. Analysts working at the manager entity are informed of new overviews by email. The email includes a Web link to the overview information, and other information about the company, so that analysts

can determine acceptance to the next stage or rejection. A voting mechanism is provided for analysts to indicate their position.

At subsequent stages, the applicant provides progressively more information about the new business venture. Portions of the information can be designated as sensitive and thus become "locked". Locked information is not provided to potential investors unless the applicant approves. After completing a final stage, the new-business information is posted to the network for review by potential investors.

Potential investors fill out a Web-page profile before being accepted by the manager. Once accepted, the investors can review unlocked portions of new-business information. To see locked information, the investor makes a request. The requesting investor's profile is sent to the applicant for approval. Once approved, the approved investor has access to the specific locked information of the new business.

In one embodiment, the invention provides a method for processing requests for funding of new businesses. The method uses a computer network. The computer network includes a plurality of computers coupled to the network. The method includes using a first computer to receive initial descriptions of a new businesses to be funded; using the network to send notifications to one or more human evaluators to communicate that the initial descriptions have been received; accepting indications from the human evaluators to reject or approve businesses to be funded; and, upon approval of an initial description, using the network to obtain additional detailed information about the business to be funded.

BRIEF DESCRIPTION OF THE DRAWINGS

Fig. 1A shows flowchart 100 illustrating basic steps and concepts in the system of the present invention

DESCRIPTION OF THE SPECIFIC EMBODIMENTS

The present invention uses one or more computer networks to exchange information between 2 or more entities involved in new business start-up, or "seed level," funding. In a preferred embodiment, it is useful to think in terms of 3 different participating human entities. These are the applicant, the manager and the investor. Naturally, each entity can represent several people, a company, or other arrangement. However, it should be apparent that many of the advantages described herein can be

obtained in a more fully-automated system where, for example, the management process does not require human participation.

A preferred embodiment of the invention is implemented, in part, at www.garage.com. This Web site is the front-end interface to the system for applicants and investors. Other aspects of the system include server-side processing and network communications implemented by Garage.com, Inc.

A Source Code Appendix is provided which should be consulted in conjunction with the discussion of the invention in this specification. The Appendix includes html source for forms and displays used in the preferred embodiment.

First, an overview of the approach of the present invention is provided in connection with Fig. 1A. Next, standard hardware suitable for use with the invention is described. Finally, details of the present invention are discussed with respect to actual screen shots and Web pages used in a preferred embodiment.

Overview of the Invention

Fig. 1A shows flowchart 100 illustrating basic steps and concepts in the system of the present invention.

In Fig. 1A, flowchart 100 is divided into two columns 102 and 104 to show the paths that an applicant and investor, respectively, would traverse. The process is advantageously implemented with extensive use of computer network communications, including Web pages and email, as discussed below. Boxes in the flowchart that are marked with an "E" stick figure correspond to actions involving the applicant (i.e. "entrepreneur"). Boxes with the "A" stick figure correspond to actions involving the investor (i.e., "angels"). Boxes marked with the "garage" symbol indicate that the management entity, e.g., Garage.com, Inc., play a significant role in the specific step. Boxes marked with the "WWW" symbol indicate that the marked step occurs primarily by collecting or presenting information over a Web site.

Regarding the applicant, or entrepreneur's path, a first step is shown at 106, where the applicant completes a 3 stage application process. This is described in more detail, below. Essentially, the applicant provides a first of 3 levels of detail about the applicant's new business. This is typically done via entering information into the managing entity's Web site. If approved, the applicant is asked for a next stage of information, and so on. The manger's analysis/qualification personnel are notified of new

business applications via an email and Web page approach, described in more detail, below. This allows for processing a high volume of new applications and for accurately assessing each new venture and ensuring that the most desirable ventures are carried forth.

Assuming the applicant is approved, step 108 is executed whereby the applicant meets a manager's representative and signs the necessary legal papers to begin a business relationship. This relationship can take many forms. There can be a simple agency agreement, the managing entity can invest in the new business, etc.

At step 110, the applicant finalizes a "Business Plan Abstract." This represents the basis for describing the new business to potential investors. The manager can become actively involved in helping the applicant create the Abstract but, typically, the applicant is led through the bulk of preparing the Abstract by Web page prompts, guidelines, and other helpful information and instructions provided over the Internet via the manager's Web site.

At step 112, the managing entity ensures that the Abstract is of high quality and is effective in communicating the new business idea. Any details of the business relationship between the managing entity and the applicant are finalized at this point.

At step 114, the Abstract, and other information about the new business are posted to the manager's Web site. As described below, certain portions of the information can be "locked" so that access to the information by investors is not possible without approval by the applicant.

Once posted, step 116 is executed so that potential investors are notified. Notification is automated by fax, email (as is most common), Web site, or other means, as desired by the potential investor.

On the investor ("angel") side, step 118 is the first step. Investors are recruited and screened to make sure that they meet minimum requirements. For example, a minimum net worth may be required. This is typically handled by having the investor fill out a small amount of information at the manager's Web site. The potential investor can send email to the manager's representatives to have questions answered, to initiate a telephone call, etc.

Next, step 120 is executed where the investor-manager relationship is formalized.

Step 122 is where the investor creates a formal "profile" that describes the investor. This profile is of interest to applicants in whose new business the investor desires to invest. The profile is generally created by having the investor enter information into the manager's Web site.

At step 124, after the investor's profile has been entered, the investor is allowed to see the Abstracts and other information about new businesses at the manager's Web site. This portion of the Web site is playfully called "heaven" as it is the point at which investors and new business opportunities first make contact. As discussed, an investor may be restricted to viewing only a portion of the new business information for security reasons. Approval by the applicant, manager, or other entity may be required before the investor can view locked portions of new business information.

Step 126 represents the point at which the applicant and investor are matched up so that the goal of funding the new business is achieved.

Description of Hardware

Fig. 2A is an illustration of computer system 1 including display 3 having display screen 5. Cabinet 7 houses standard computer components (not shown) such as a disk drive, CDROM drive, display adapter, network card, random access memory (RAM), central processing unit (CPU), and other components, subsystems and devices. User input devices such as mouse 11 having buttons 13, and keyboard 9 are shown. Other user input devices such as a trackball, touch-screen, digitizing tablet, etc. can be used. In general, the computer system is illustrative of but one type of computer system, such as a desktop computer, suitable for use with the present invention. Computers can be configured with many different hardware components and can be made in many dimensions and styles (e.g., laptop, palmtop, pentop, server, workstation, mainframe). Any hardware platform suitable for performing the processing described herein is suitable for use with the present invention.

Fig. 2B illustrates subsystems that might typically be found in a computer such as computer 1.

In Fig. 2B, subsystems within box 20 are directly interfaced to internal bus 22. Such subsystems typically are contained within the computer system such as within cabinet 7 of Fig. 2A. Subsystems include input/output (I/O) controller 24, System Random Access Memory (RAM) 26, Central Processing Unit (CPU) 28, Display Adapter 30, Serial Port 40, Fixed Disk 42 and Network Interface Adapter 44. The use of bus 22

allows each of the subsystems to transfer data among the subsystems and, most importantly, with the CPU. External devices can communicate with the CPU or other subsystems via bus 22 by interfacing with a subsystem on the bus. Monitor 46 connects to the bus through Display Adapter 30. A relative pointing device (RPD) 48 such as a mouse connects through Serial Port 40. Some devices such as Keyboard 50 can communicate with the CPU by direct means without using the main data bus as, for example, via an interrupt controller and associated registers (not shown).

As with the external physical configuration shown in Fig. 2A, many subsystem configurations are possible. Fig. 2B is illustrative of but one suitable configuration. Subsystems, components or devices other than those shown in Fig. 2B can be added. A suitable computer system can be achieved without using all of the subsystems shown in Fig. 2. For example, a standalone computer need not be coupled to a network so Network Interface 44 would not be required. Other subsystems such as a CDROM drive, graphics accelerator, etc. can be included in the configuration without affecting the performance of the system of the present invention.

Fig. 2C is a generalized diagram of a typical network.

In Fig. 2C, the network system 80 includes several local networks coupled to the Internet. Although specific network protocols, physical layers, topologies, and other network properties are presented herein, the present invention is suitable for use with any network.

In Fig. 2C, computer USER1 is connected to Server1. This connection can be by a network such as Ethernet, Asynchronous Transfer Mode, IEEE standard 1553 bus, modem connection, Universal Serial Bus, etc. The communication link need not be a wire but can be infrared, radio wave transmission, etc. Server1 is coupled to the Internet. The Internet is shown symbolically as a collection of server routers 82. Note that the use of the Internet for distribution or communication of information is not strictly necessary to practice the present invention but is merely used to illustrate a preferred embodiment, below. Further, the use of server computers and the designation of server and client machines is not crucial to an implementation of the present invention. USER1 Computer can be connected directly to the Internet. Server1's connection to the Internet is typically by a relatively high bandwidth transmission medium such as a T1 or T3 line.

Similarly, other computers at 84 are shown utilizing a local network at a different location from USER1 computer. The computers at 84 are coupled to the Internet via Server2. USER3 and Server3 represent yet a third installation.

Note that the concepts of "client" and "server," as used in this application and the industry, are very loosely defined and, in fact, are not fixed with respect to machines or software processes executing on the machines. Typically, a server is a machine or process that is providing information to another machine or process, i.e., the "client," that requests the information. In this respect, a computer or process can be acting as a client at one point in time (because it is requesting information) and can be acting as a server at another point in time (because it is providing information). Some computers are consistently referred to as "servers" because they usually act as a repository for a large amount of information that is often requested. For example, a World Wide Web (WWW, or simply, "Web") site is often hosted by a server computer with a large storage capacity, high-speed processor and Internet link having the ability to handle many high-bandwidth communication lines.

A server machine will most likely not be manually operated by a human user on a continual basis, but, instead, has software for constantly, and automatically, responding to information requests. On the other hand, some machines, such as desktop computers, are typically thought of as client machines because they are primarily used to obtain information from the Internet for a user operating the machine.

Depending on the specific software executing at any point in time on these machines, the machine may actually be performing the role of a client or server, as the need may be. For example, a user's desktop computer can provide information to another desktop computer. Or a server may directly communicate with another server computer. Sometimes this is characterized as "peer-to-peer," communication. Although processes of the present invention, and the hardware executing the processes, may be characterized by language common to a discussion of the Internet (e.g., "client," "server," "peer") it should be apparent that software of the present invention can execute on any type of suitable hardware including networks other than the Internet.

Although software of the present invention, may be presented as a single entity, such software is readily able to be executed on multiple machines. That is, there may be multiple instances of a given software program, a single program may be executing on two or more processors in a distributed processing environment, parts of a single program may be executing on different physical machines, etc. Further, two different programs, such as a client and server program, can be executing in a single machine, or in different machines. A single program can be operating as a client for one information transaction and as a server for a different information transaction.

Details of the Invention

Details of the system of the present invention are next discussed with reference to Figs. 1B and 1C.

Fig. 1B illustrates details of the applicant path 102 of Fig. 1A.

In Fig. 1B, steps at 202 relate to the applicant's initial application and screening. This step can involve two or more stages, with each stage being characterized by the applicant filling out Web page-based information and having the new business approved before more information is collected at the next stage. For example, Fig. 1B shows that the application is broken into 3 sections. Access to these sections is password protected so that only the applicant can view and edit the information until it is processed by the manager. The sections are (I) General Company Overview Information, (II) Company Business Structure and (III) Company Business Plan Details. The manager has the ability to reject or accelerate the application after each submission.

An example of the actual form used to collect information at step 202 is shown in the Appendix at section A. This is the Web page, and html used to generate the Web page, to obtain the "Company Overview" information from the applicant.

When a new overview, or any of the other information sections, are completed and submitted by an applicant, certain pre-designated persons at the management entity's site receive an email notification. The email notification is sent automatically when, for example, a server at the management's site receives a completed form, such as the form in Appendix, section A, from an applicant.

Text of such an email communication to the manager's analysts is provided as section B in the Appendix. Note that the first item in the email is an embedded link to the new information on the manager's Web site. Thus, each recipient of the email can simply click the link to view the information that was just received.

After clicking on the embedded link, an analyst is presented with the applicant's overview, or Short Form, information in Web-page format. This is provided in the Appendix as section C. Both the Web page and the html used to generate the Web page have been provided.

Fig. 3 is an excerpt from the overview as viewed by an analyst at the management entity. The excerpt shows dialog box 220 including radio buttons at 222 and text area 224. An analyst can "vote" to place the overview (and subsequent additional

information regarding the applicant's business) into different areas designated as "Portfolio," "Exchange," or "Gold Mine." These are in decreasing order of recommendation to investors, with "Portfolio" being the best rated, or recommended, investments. Or the analyst can choose to "Reject" the applicant. A rejected applicant will not be moved further along with the automated application-investor matchup process. Finally, the analyst can enter comments in text box 224. The vote and comments are entered into a database when "Cast Vote" button 226 is pressed, for tallying and later use in making a decision to accept or reject the applicant.

Assuming the applicant is approved through the sections in step 202 of Fig. 1B, step 204 is performed. In step 204 the applicant and manager formalize a relationship by signing, e.g. manager participation, etc. After this step, the applicant has access to the management Web site. An example of the first page at the Web site is provided in the Appendix, section D.

Next, at step 206 the manager works with the applicant to finalize a Business Plan Abstract. The applicant completes the Business Plan Abstract form shown in the Appendix, section D. The Business Plan Abstract includes potentially sensitive information about the applicant's business. It is at this point that the applicant can choose to "lock" information so that the information will not be freely available at the manager's Web site without express approval.

Fig. 4 shows an example of a page used to collect information for the Abstract. Note that, along with text box 242, there is an associated icon 240 indicating that the text in the section (i.e., text entered into text box 242) will be generally available to investors on the manager's Web site. In contrast, the text entered into text boxes as 246 can be locked if the applicant checks the "Lock all fields in this section" checkbox 244. Naturally, the divisions as to which portions of information are locked can vary. Further, different levels of access can be provided rather than the locked, unlocked "all-or-nothing" access shown here. In fact, the preferred embodiment includes an additional access level that only allows the management entity's personnel to view certain information. Other approaches can provide, e.g., "high," "medium" and "low" levels of access, allowing investors at different qualification levels to view different tiers of information.

Fig. 1B shows step 208 as one of extended evaluation and modification to the Business Plan Abstract and the overall presentation of the company to investors. At step 210 the Abstract and overall presentation of the company have been finalized and the

information is put onto the manager's Web site for investors to view. Upon posting new information about a company, investors are notified at step 212.

Section E of the Appendix provides two more forms for gathering information about the new business from the applicant. These are for the "Detailed Application" and the "Business Plan Abstract".

Fig. 1C illustrates details of the investor path 104 of Fig. 1A.

In Fig. 1C, step 260 represents an initial contact between the manager and an investor. At step 262 a formal business relationship is initiated. This may require, for example, Agreements to be signed. At step 264 the investor completes a "profile" of information describing the investor. This can include information on the investor's ability to fund companies, the investor's track record, contact information, etc. Much of this information can be flagged as for the managing entity's internal use only. The investor profile can be sent to an applicant upon the investor's request when the investor is interested in the applicant's company. Investor profiles are generally only available to the manager and to the specific investor unless express permission is given by the investor.

A password to "heaven" is provided to the investor and the investor is then able to browse through new businesses' information at step 268. Notification of new businesses being added to heaven is provided to investors as a special service. An example of an email message to an investor to announce a new company being added to heaven is in Section F of the Appendix. This step is illustrated at 274 of Fig. 1C.

An example of the selections possible (i.e., categories of information) to an investor who is browsing the new business information is shown in Section G of the Appendix which is an entry page to the heaven area of the manager's web site.

While browsing, an investor may encounter locked information. Such information is described in general terms as to the type of information missing. Instructions are provided to the investor on how to unlock the information. Section H of the Appendix illustrates a Company Overview with no locked information and a Business Plan Abstract that contains locked information.

Fig. 5 is an excerpt of the Business Plan Abstract of Section H of the Appendix.

In Fig. 5, note the unlocked information that the investor can readily view at 300. Locked information is present at 302 and 304. The locked information includes a

type description (e.g., "Capitalization Table," "Debt Financing," etc.) and an indication that the information is locked (e.g., the "LOCKED" text).

Fig. 6 shows dialog boxes presented to the investors so that the investor can make a request at 310 to view locked information. The investor enters contact information into the text box at 310 and presses button 314 to send an access request and to release the investor's profile to the company that is presently being viewed. Another option is to merely make a request that the company contact the investor by entering an optional message and depressing button 316 to send the message and release the investor's profile. These steps are described at 268 and 270 of Fig. 1C, also.

Step 272 of Fig. 1C illustrates the step where an applicant/entreprenuer and the investor/angel initiate a relationship. This completes a successful match-up between an applicant and an investor.

Although the present invention has been discussed with respect to specific embodiments, these embodiments are merely illustrative, and not restrictive, of the invention. The scope of the invention is to be determined solely by the appended claims.

WHAT IS CLAIMED IS:

1. A method for processing requests for funding of new businesses, the method using a computer network, the computer network including a plurality of computers coupled to the network, the method comprising

using a first computer to receive initial descriptions of a new businesses to be funded;

using the network to send notifications to one or more human evaluators to communicate that the initial descriptions have been received;

accepting indications from the human evaluators to reject or approve businesses to be funded; and

upon approval of an initial description, using the network to obtain additional detailed information about the business to be funded.

2. The method of claim 1, wherein the step of using a first computer to receive initial descriptions includes the substep of

prompting an applicant for form information, wherein the form information is entered by an applicant via a Web page form.

3. The method of claim 2, wherein the human evaluators operate computers coupled to a local server computer, wherein the step of using the network to send notifications includes the substeps of

storing the form information on the local server computer; and

sending an email notification to one or more of the human evaluators to indicate that new form information has been stored on the local server computer, wherein the email notification includes a clickable link to display the new form information.

4. The method of claim 3, wherein the step of accepting indications includes the substep of

accepting text information entered by the human evaluators and storing the text information as evaluation comments in association with the new form information.

5. The method of claim 3, wherein the step of accepting indications includes the substep of

accepting a vote indication from one or more human evaluators, wherein the vote indication indicates approval or rejection of the business funding described by the form information.

6. The method of claim 1, wherein the following steps are performed upon approval of the initial description, wherein the additional information is entered by a human applicant, the method further comprising

accepting indications from the applicant to provide details of the business to be funded; and

accepting signals from the applicant to allow one or more portions of the additional information to be designated as "locked."

7. The method of claim 6, further comprising

using the network to display the additional information to a potential investor, wherein portions of the additional information designated as locked are not displayed to the potential investor; and

displaying an indication that locked information is not being displayed.

8. The method of claim 7, further comprising

accepting information entered over the network from a potential investor to define an investor profile that describes the qualifications of the investor to invest;

receiving signals from a computer operated by the potential investor to indicate that the potential investor is desirous of viewing locked information;

in response to the received signals, transmitting the investor profile and a message to the applicant to indicate that the potential investor described by the investor profile desires to view locked portions of the additional information.

9. The method of claim 8, further comprising

receiving signals from the applicant to indicate approval for the potential investor to view the locked information; and

subsequent to receiving the indicated approval for the potential investor, displaying the locked information to the potential investor.

10. The method of claim 9, wherein the additional information is a business plan abstract.

11. The method of claim 10, wherein the locked information includes details of underlying technology necessary for the success of the business to be funded.

12. The method of claim 10, wherein the locked information includes a statement as to the dependence of the business to be funded on intellectual property.

13. The method of claim 10, wherein the locked information includes a description of the business-to-be-funded's manufacturing process.

14. A method for presenting information on start-up companies to potential investors, the method using a computer network to exchange information between an applicant for funds for the a start-up company, and a potential investor, the method comprising

allowing the applicant to specify information about a start-up company, wherein at least a portion of the information is designated as "locked";

presenting the specified information to the potential investor, wherein the locked information is not displayed;

notifying the applicant that the potential investor desires to view the locked information;

obtaining permission from the applicant to have the potential investor view the locked information; and

providing the potential investor with the locked information.

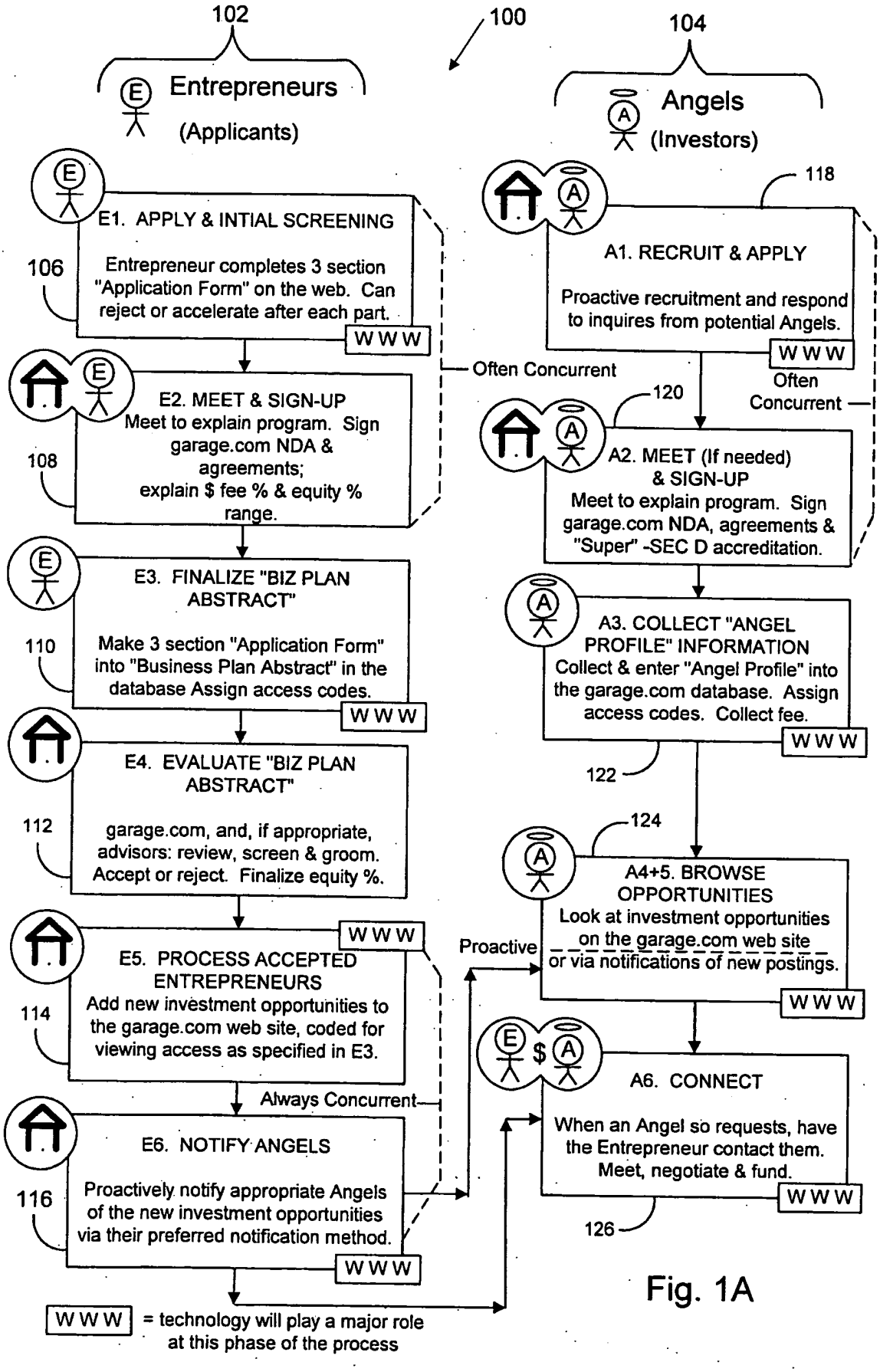
102
100
104
Entrepreneurs
(Applicants)
Angels
(Investors)
E1. APPLY & INTIAL SCREENING
Entrepreneur completes 3 section "Application Form" on the web. Can reject or accelerate after each part.
106
W W W
A1. RECRUIT & APPLY
Proactive recruitment and respond to inquires from potential Angels.
118
W W W
Often Concurrent
Often Concurrent
E2. MEET & SIGN-UP
Meet to explain program. Sign garage.com NDA & agreements; explain $ fee % & equity % range.
108
120
A2. MEET (If needed) & SIGN-UP
Meet to explain program. Sign garage.com NDA, agreements & "Super" -SEC D accreditation.
E3. FINALIZE "BIZ PLAN ABSTRACT"
Make 3 section "Application Form" into "Business Plan Abstract" in the database Assign access codes.
110
W W W
A3. COLLECT "ANGEL PROFILE" INFORMATION
Collect & enter "Angel Profile" into the garage.com database. Assign access codes. Collect fee.
W W W
122
E4. EVALUATE "BIZ PLAN ABSTRACT"
garage.com, and, if appropriate, advisors: review, screen & groom. Accept or reject. Finalize equity %.
112
124
A4+5. BROWSE OPPORTUNITIES
Look at investment opportunities on the garage.com web site or via notifications of new postings.
Proactive
W W W
W W W
E5. PROCESS ACCEPTED ENTREPRENEURS
Add new investment opportunities to the garage.com web site, coded for viewing access as specified in E3.
114
Always Concurrent
A6. CONNECT
When an Angel so requests, have the Entrepreneur contact them. Meet, negotiate & fund.
W W W
126
E6. NOTIFY ANGELS
Proactively notify appropriate Angels of the new investment opportunities via their preferred notification method.
116
W W W
W W W = technology will play a major role at this phase of the process

Fig. 1A

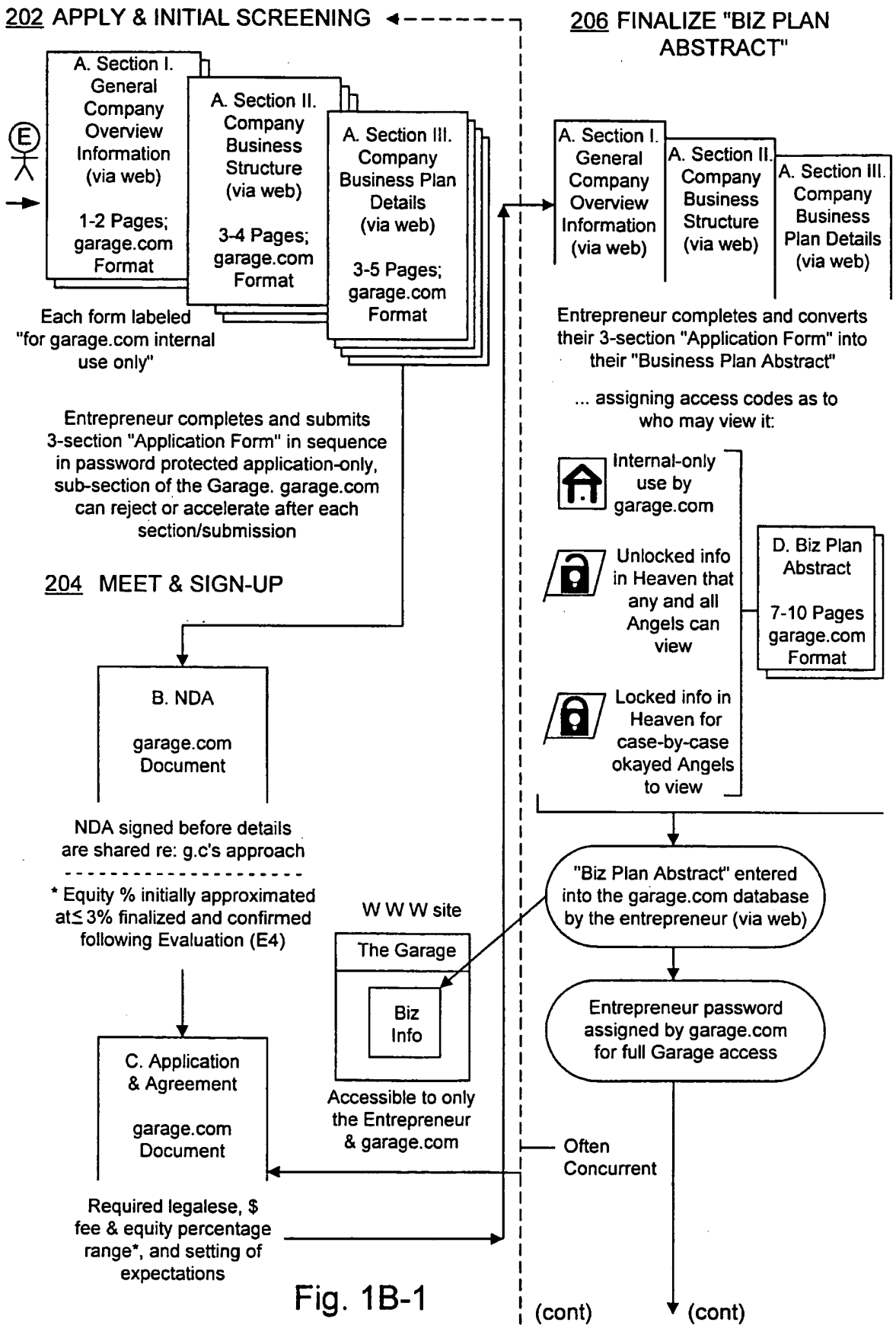
202 APPLY & INITIAL SCREENING
A. Section I. General Company Overview Information (via web)
1-2 Pages; garage.com Format
A. Section II. Company Business Structure (via web)
3-4 Pages; garage.com Format
A. Section III. Company Business Plan Details (via web)
3-5 Pages; garage.com Format
Each form labeled "for garage.com internal use only"
Entrepreneur completes and submits 3-section "Application Form" in sequence in password protected application-only, sub-section of the Garage. garage.com can reject or accelerate after each section/submission
204 MEET & SIGN-UP
B. NDA
garage.com Document
NDA signed before details are shared re: g.c's approach
* Equity % initially approximated at≤ 3% finalized and confirmed following Evaluation (E4)
C. Application & Agreement
garage.com Document
Required legalese, $ fee & equity percentage range*, and setting of expectations
W W W site
The Garage
Biz Info
Accessible to only the Entrepreneur & garage.com
206 FINALIZE "BIZ PLAN ABSTRACT"
A. Section I. General Company Overview Information (via web)
A. Section II. Company Business Structure (via web)
A. Section III. Company Business Plan Details (via web)
Entrepreneur completes and converts their 3-section "Application Form" into their "Business Plan Abstract"
... assigning access codes as to who may view it:
Internal-only use by garage.com
Unlocked info in Heaven that any and all Angels can view
Locked info in Heaven for case-by-case okayed Angels to view
D. Biz Plan Abstract
7-10 Pages garage.com Format
"Biz Plan Abstract" entered into the garage.com database by the entrepreneur (via web)
Entrepreneur password assigned by garage.com for full Garage access
Often Concurrent
(cont)
(cont)

Fig. 1B-1

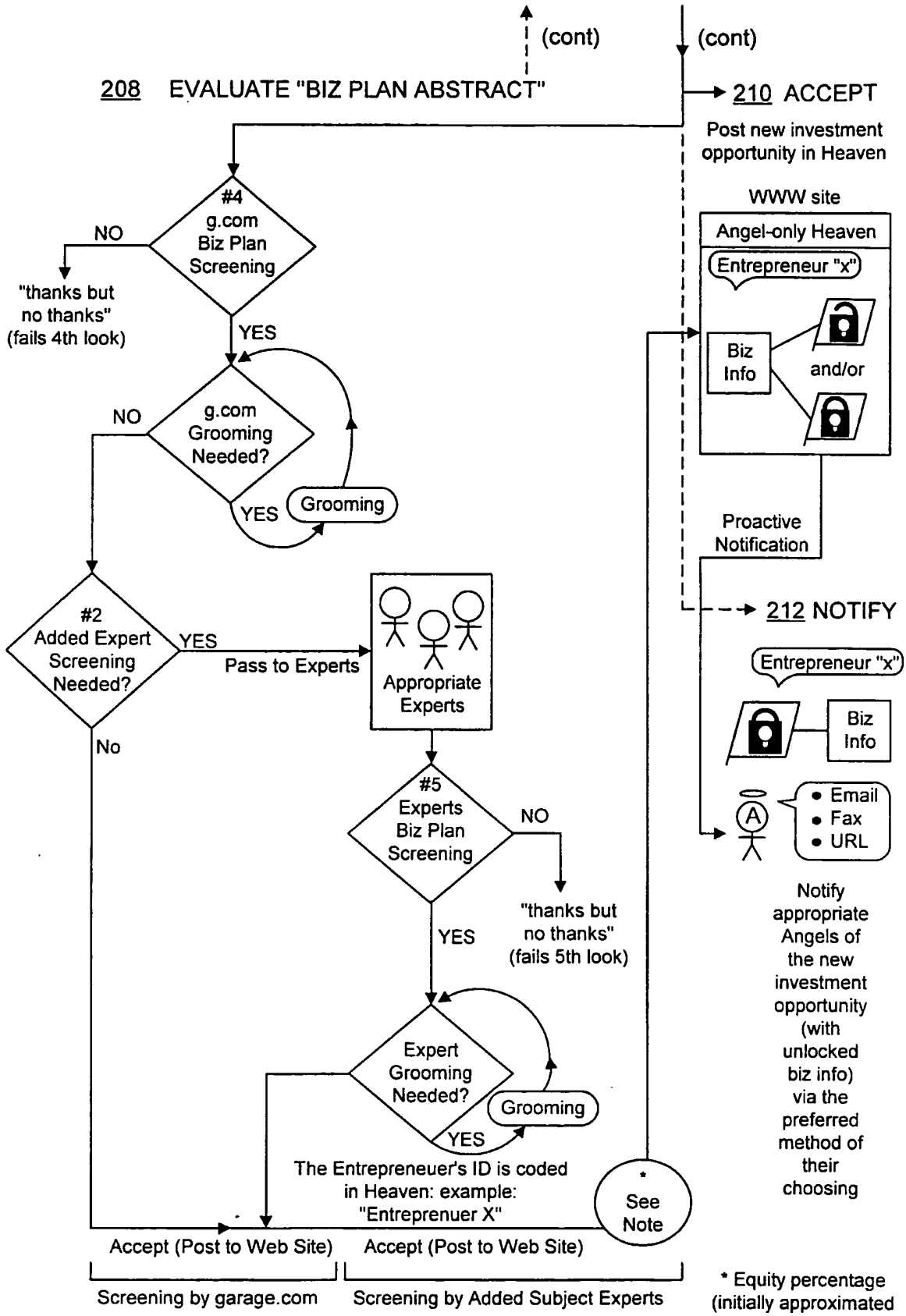
(cont)
(cont)
208 EVALUATE "BIZ PLAN ABSTRACT"
210 ACCEPT
Post new investment opportunity in Heaven
WWW site
Angel-only Heaven
Entrepreneur "x"
Biz Info
and/or
#4 g.com Biz Plan Screening
NO
"thanks but no thanks" (fails 4th look)
YES
g.com Grooming Needed?
NO
YES
Grooming
Proactive Notification
212 NOTIFY
#2 Added Expert Screening Needed?
YES
Pass to Experts
Appropriate Experts
No
Entrepreneur "x"
Biz Info
A
• Email
• Fax
• URL
#5 Experts Biz Plan Screening
NO
"thanks but no thanks" (fails 5th look)
YES
Notify appropriate Angels of the new investment opportunity (with unlocked biz info) via the preferred method of their choosing
Expert Grooming Needed?
Grooming
YES
The Entrepreneuer's ID is coded in Heaven: example: "Entreprenuer X"
* See Note
Accept (Post to Web Site)
Accept (Post to Web Site)
Screening by garage.com
Screening by Added Subject Experts
* Equity percentage (initially approximated at ≤ 3% finalized after Evaluation

Fig. 1B-2

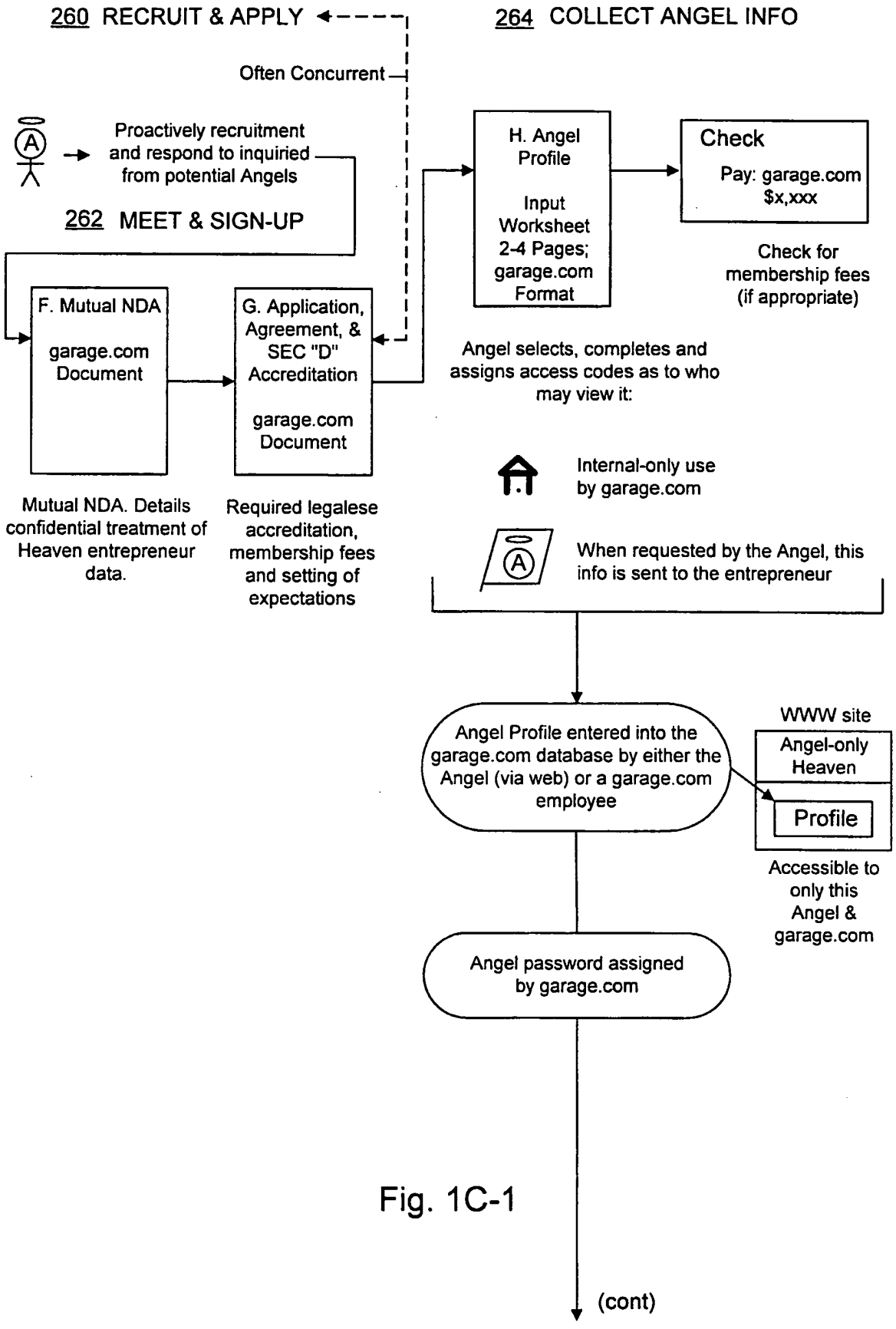
260 RECRUIT & APPLY
264 COLLECT ANGEL INFO
Often Concurrent
Proactively recruitment and respond to inquiried from potential Angels
262 MEET & SIGN-UP
H. Angel Profile
Input Worksheet 2-4 Pages; garage.com Format
Check
Pay: garage.com $x,xxx
Check for membership fees (if appropriate)
F. Mutual NDA
garage.com Document
G. Application, Agreement, & SEC "D" Accreditation
garage.com Document
Angel selects, completes and assigns access codes as to who may view it:
Internal-only use by garage.com
When requested by the Angel, this info is sent to the entrepreneur
Mutual NDA. Details confidential treatment of Heaven entrepreneur data.
Required legalese accreditation, membership fees and setting of expectations
Angel Profile entered into the garage.com database by either the Angel (via web) or a garage.com employee
WWW site
Angel-only Heaven
Profile
Accessible to only this Angel & garage.com
Angel password assigned by garage.com
(cont)

Fig. 1C-1

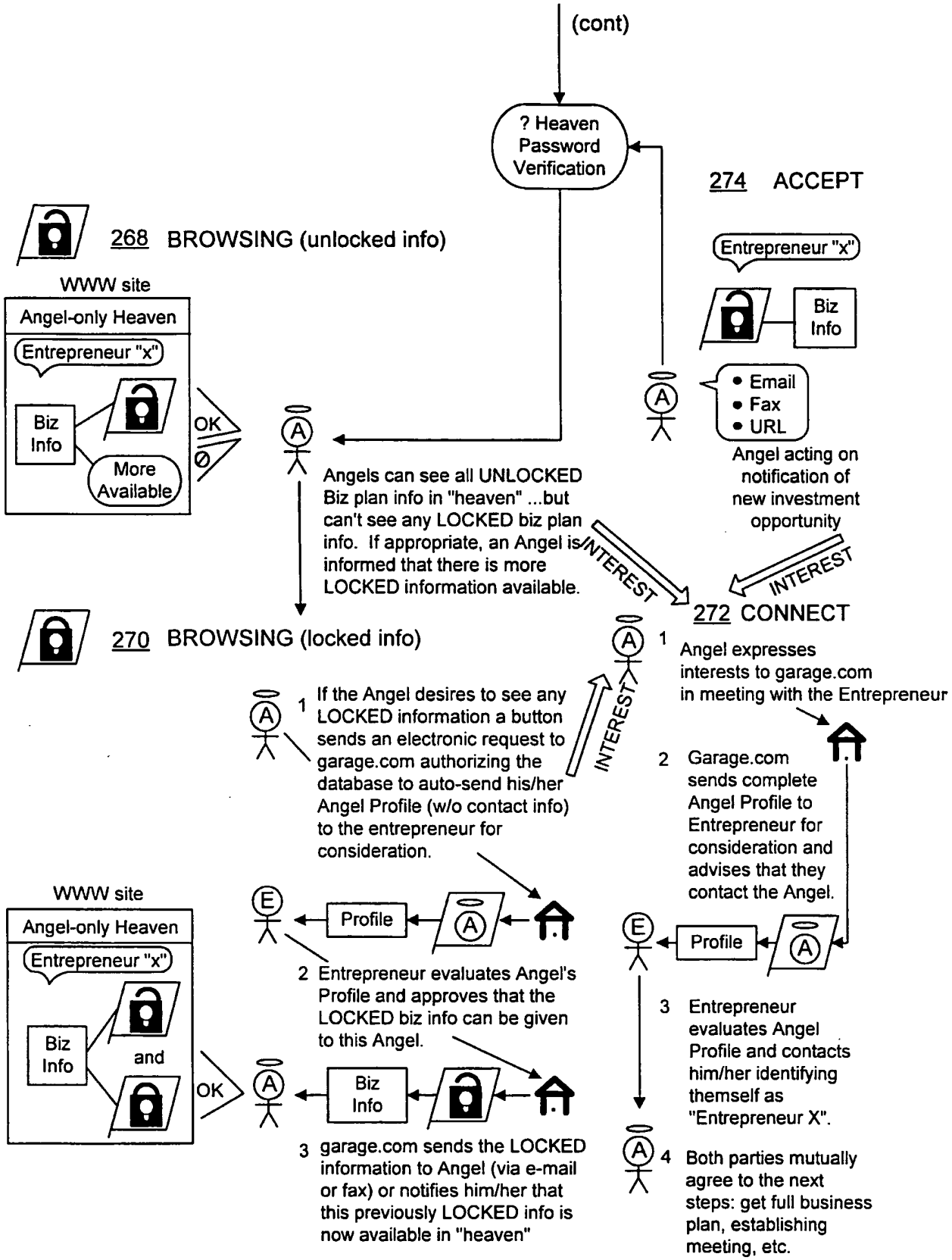
(cont)
? Heaven Password Verification
274 ACCEPT
268 BROWSING (unlocked info)
WWW site
Angel-only Heaven
Entrepreneur "x"
Biz Info
More Available
OK
Entrepreneur "x"
Biz Info
• Email
• Fax
• URL
Angel acting on notification of new investment opportunity
Angels can see all UNLOCKED Biz plan info in "heaven" ...but can't see any LOCKED biz plan info. If appropriate, an Angel is informed that there is more LOCKED information available.
INTEREST
INTEREST
272 CONNECT
270 BROWSING (locked info)
1 Angel expresses interests to garage.com in meeting with the Entrepreneur
1 If the Angel desires to see any LOCKED information a button sends an electronic request to garage.com authorizing the database to auto-send his/her Angel Profile (w/o contact info) to the entrepreneur for consideration.
INTEREST
2 Garage.com sends complete Angel Profile to Entrepreneur for consideration and advises that they contact the Angel.
WWW site
Angel-only Heaven
Entrepreneur "x"
Biz Info
and
OK
Profile
Profile
2 Entrepreneur evaluates Angel's Profile and approves that the LOCKED biz info can be given to this Angel.
3 Entrepreneur evaluates Angel Profile and contacts him/her identifying themself as "Entrepreneur X".
Biz Info
3 garage.com sends the LOCKED information to Angel (via e-mail or fax) or notifies him/her that this previously LOCKED info is now available in "heaven"
4 Both parties mutually agree to the next steps: get full business plan, establishing meeting, etc.

Fig. 1C-2

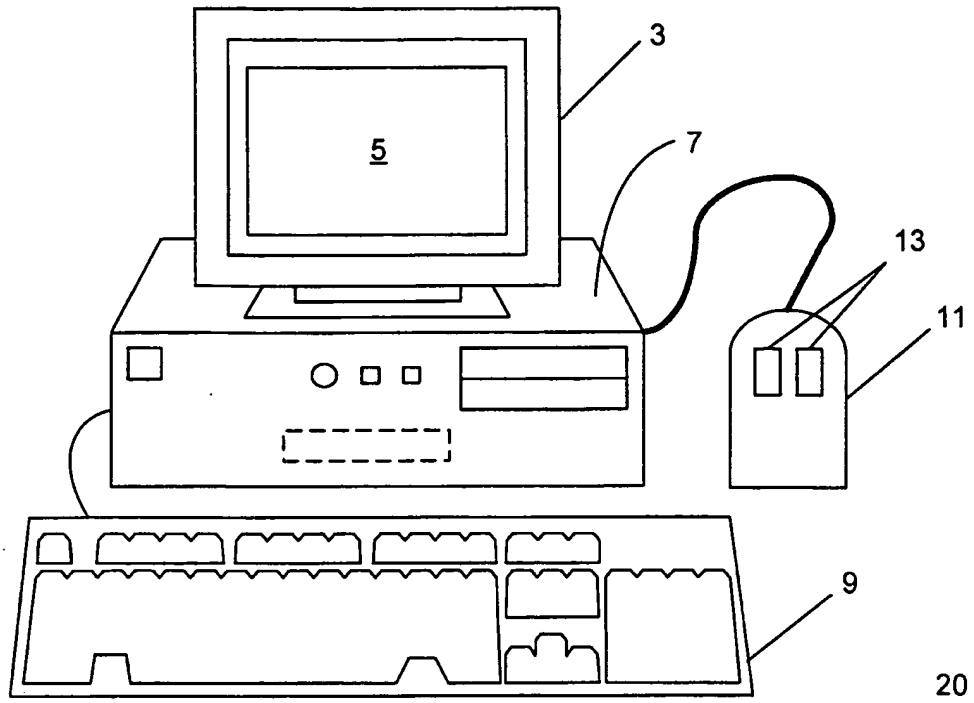
3
5
7
13
11
9

Fig. 2A

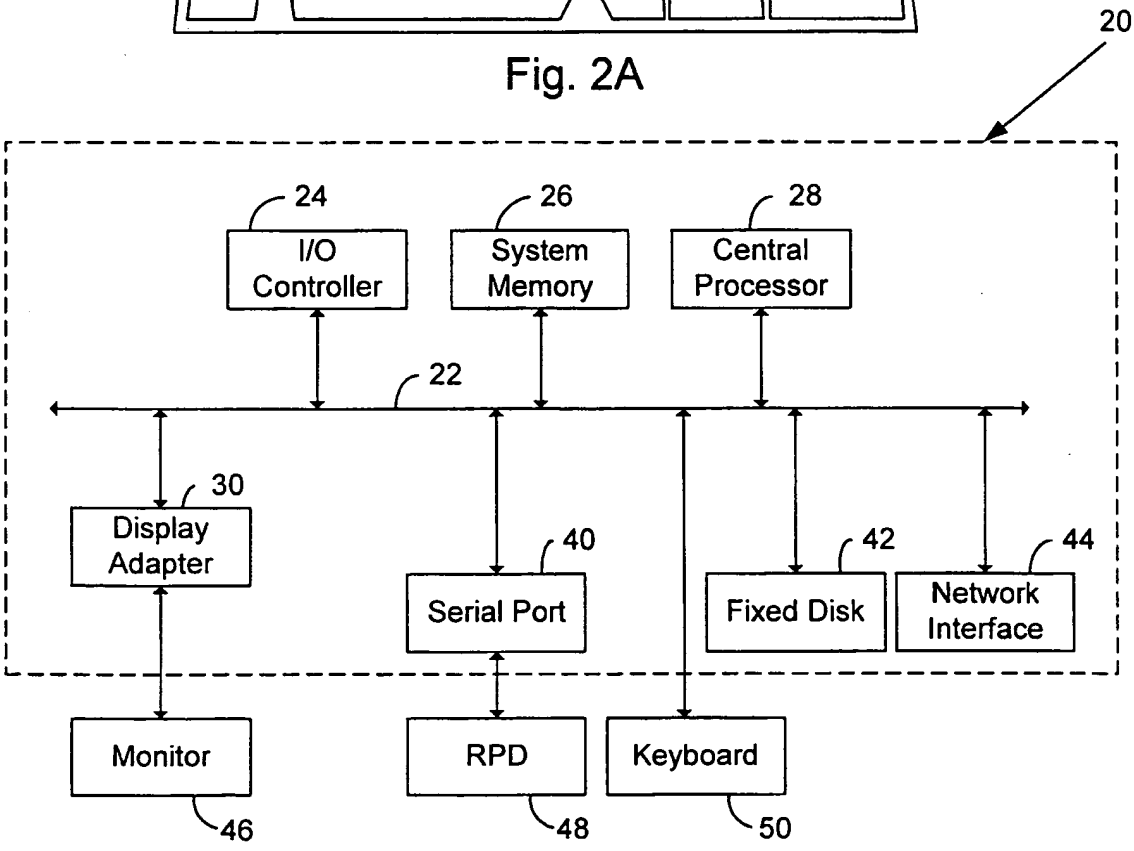
20
24
I/O Controller
26
System Memory
28
Central Processor
22
30
Display Adapter
40
Serial Port
42
Fixed Disk
44
Network Interface
Monitor
RPD
Keyboard
46
48
50

Fig. 2B

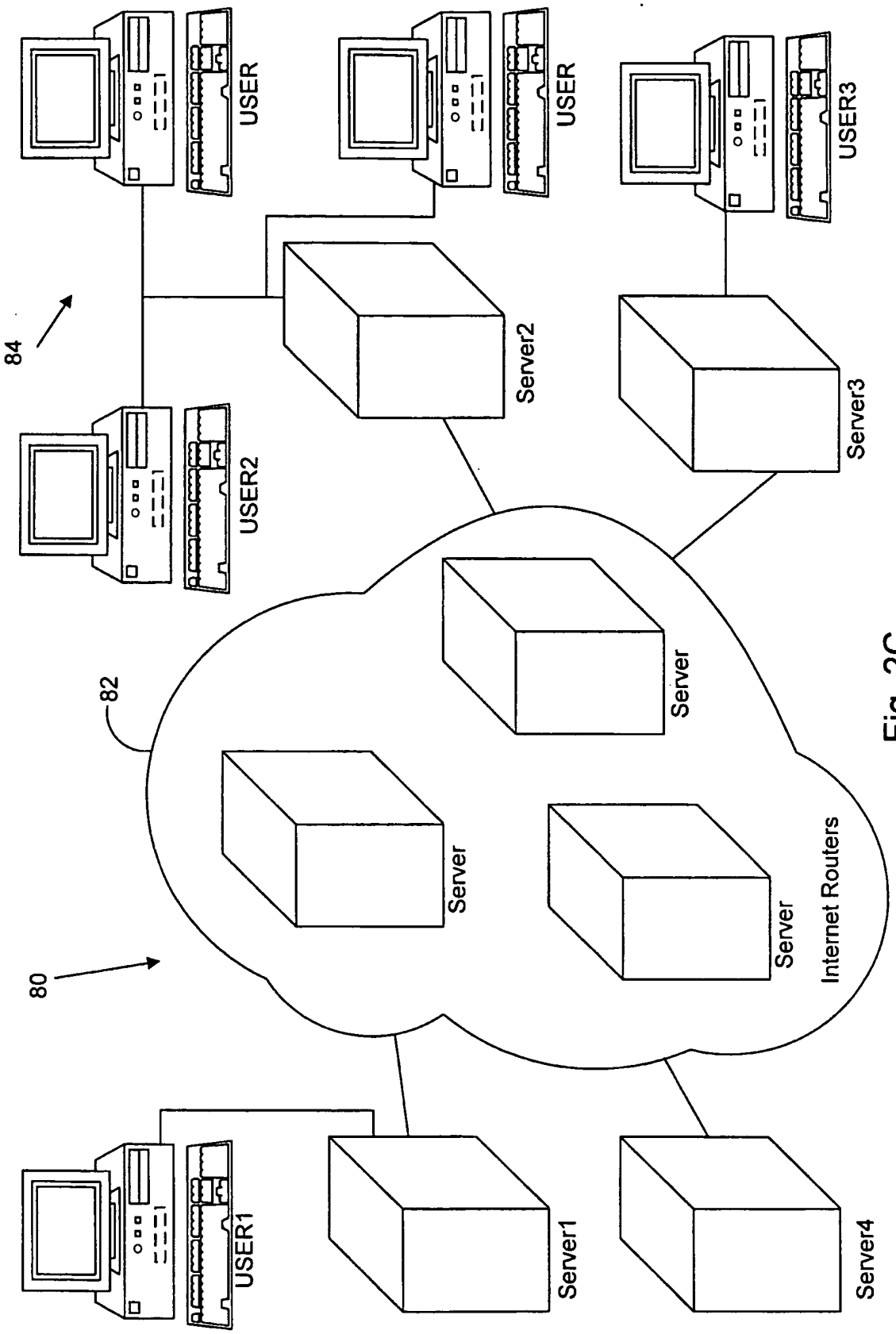
USER
USER
USER3
84
Server2
Server3
USER2
Server
82
Server
Server
Internet Routers
80
USER1
Server1
Server4

Fig. 2C

garage com™ ...we start up startups GARAGE

Home Garage Abstract Requests Members Only Jobs

Search | Site Map

Garage : BPA : Product or Service

240 → This section cannot be locked.

* What problem are you trying to solve or fix with your product or service? (Limit is 4,000 characters or about 400 words.) ?

242 → What problem are you trying to solve or fix with your product or service?

244 → ☑ Lock all fields in this section

*Describe your underlying technology, including the development stage. (Limit is 4,000 characters or about 400 words.) ?

Describe your underlying technology, including the development stage.

*Does your success depend on any external intellectual properties? Do you have in place licenses or agreements to include this technology in your product or service? (Limit is 4,000 characters or about 400 words.)

245 Does your success depend on any external intellectual properties? Do you have in place licenses or agreements to include this technology in your product or service?

Discuss your company's manufacturing and/or development process, if applicable. (Limit is 4,000 characters or about 400 words.)

Discuss your company's manufacturing and/or development process, if applicable.

Save This Page Cancel

Fig. 4

Dr. Howard Hassman, D.O.

Role	Advisor Consultant/Contractor
Other Boards	Comprehensive Clinical Research, Inc.
Other Affiliations	CEO of a research site management organization
Prior experience	Founder and former Senior Vice President of FPA Medical Management, a leading physician practice management company. Current founder and CEO of Comprehensive Clinical Research, Inc., a site management organization.

Capitalization (return to top) 300

Use of Funds

Funds from this round will be used to accomplish the following milestones: 1) Trigger the acquisition and exclusive license agreements previously negotiated: 2) Complete integration and development work of Release 1.0 of the Next Phase Perfomance Solution: 3) Secure several additional commitments from biotechnology or pharmaceutical companies: 4) Recruit a highly visible CEO and V.P. of Sales: 5) Expand the Company's scientific advisory board to extend the Company's reach and credibility in a variety of therapeutic areas: and, 6) Begin performing on two clinical trials.

Preferred Investors

Strategic input and additional contacts with pharmaceutical or biotechnology companies. Technical insight and contacts would also be valued.

Exit Strategy

Management plans on a public offering or a sale of the Company to one of the larger drug development services providers within a 3-5 year time frame.

Capitalization Table
LOCKED
Debt Financing
LOCKED
How have funds been used to date?
LOCKED

302

Financial Projections (return to top)

Capital needed to break even: $8,000,000
Quarter to break even: 2/2001
Current revenues: LOCKED
Current expenses: LOCKED
Five Year Projections

304

Fig. 5

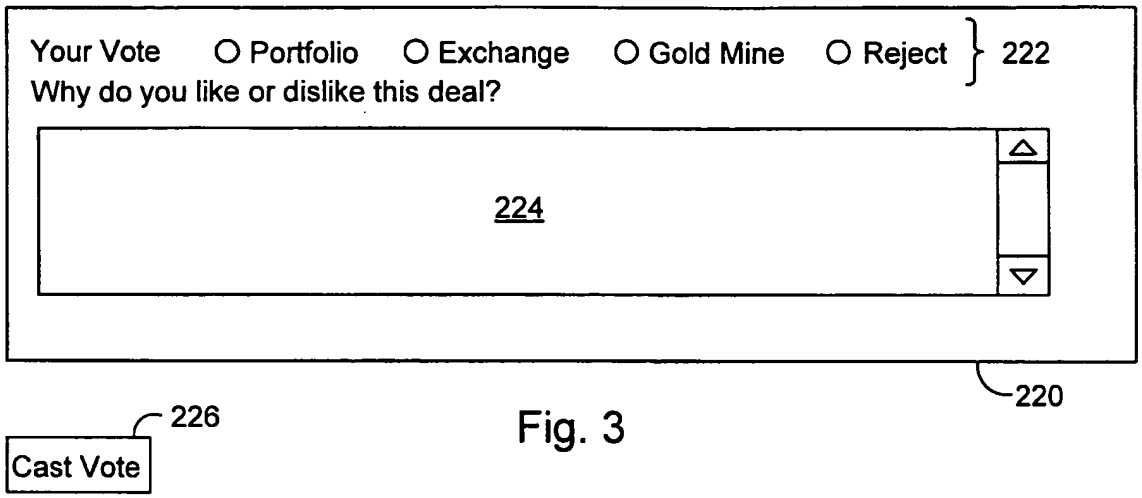
Your Vote O Portfolio O Exchange O Gold Mine O Reject
222
Why do you like or dislike this deal?
224
220
226
Cast Vote

Fig. 3

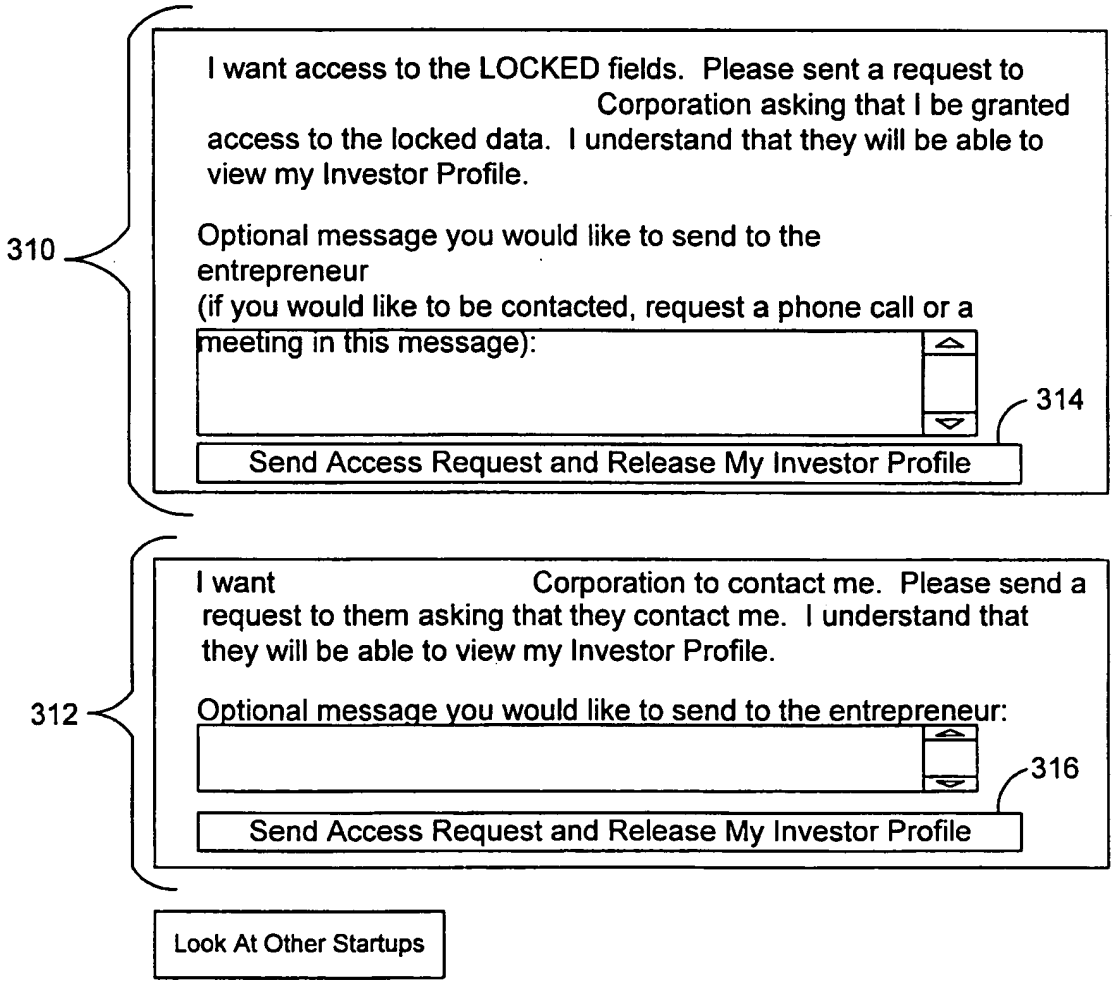
I want access to the LOCKED fields. Please sent a request to Corporation asking that I be granted access to the locked data. I understand that they will be able to view my Investor Profile.
310
Optional message you would like to send to the entrepreneur
(if you would like to be contacted, request a phone call or a meeting in this message):
314
Send Access Request and Release My Investor Profile
I want Corporation to contact me. Please send a request to them asking that they contact me. I understand that they will be able to view my Investor Profile.
312
Optional message you would like to send to the entrepreneur:
316
Send Access Request and Release My Investor Profile
Look At Other Startups

Fig. 6

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US00/26707

A. CLASSIFICATION OF SUBJECT MATTER
IPC(7) :G06F 157:00
US CL : 705/38, 35
According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/38, 35

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

NONE

Electronic data base consulted during the international search (name of data base and. where practicable, search terms used)

WEST 2.0, DIALOG BUSINESS FILES

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	US 5,878,403 A (DEFRANCESCO et al) 02 March 1999, Fig. 1A, col.21 L42- col. 26 L 32	1-15
Y	CABLE et al, A prisoner's dilemma approach to entrepreneur-venture capitalist relationship, Academy of Management Review v22n1, pp 142-176, January 1997	1-14
A	US 5,680,305 A (APGAR, IV) 21 October, 1997, entire document	1-14
A	US 5,797,133 A (JONES et al) 18 August, 1998, entire document	1-14

☐ Further documents are listed in the continuation of Box C. ☐ See patent family annex.

*	Special categories of cited documents:	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A"	document defining the general state of the art which is not considered to be of particular relevance	"X"	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"E"	earlier document published on or after the international filing date	"Y"	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
"L"	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"&"	document member of the same patent family
"O"	document referring to an oral disclosure, use, exhibition or other means		
"P"	document published prior to the international filing date but later than the priority date claimed		

Date of the actual completion of the international search
29 NOVEMBER 2000

Date of mailing of the international search report
02 JAN 2001

Name and mailing address of the ISA/US
Commissioner of Patents and Trademarks
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VINCENT MILLI James R. Matthews
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Form PCT/ISA/210 (second sheet) (July 1998)*